



## D4 Small Business Council Meeting Minutes

DATE: February 21, 2017

TIME: 1:00- 2:30pm

LOCATION: District 4, Executive Conference Room-15-240, 111 Grand Ave., Oakland, CA

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| <b><u>D4 CALTRANS STAFF:</u></b><br>Bijan Sartipi, District Director<br>Dan McElhinney, Chief DDD<br>Lenka Culik-Caro, DDD-Design<br>George Crosby, Small Business Prog.<br>Romy Fuentes, Consultant Services<br>Adriana Harris, Small Business Prog.<br>Damien Harris, Business Mgmt.<br>Osayahde Nesbitt, Small Business Prog.<br>Stan Ng, Maintenance<br>Ray Pang, Construction<br><br><b><u>HQ/AGENCY STAFF:</u></b><br>Kelly Schluter, OBEO | <b><u>MEMBERS (Present/Absent)</u></b><br>Arvin Chaudhary (P)<br>Paul Guerrero (P)<br>Frederick Jordan (P)<br>Diana LaCome (P)<br>Eddy Lau (P)<br>Peter Ramirez (A) | <b><u>REPRESENTING</u></b><br>ACEC CA<br>La Raza Roundtable<br>SFAACC<br>NCA<br>AAAE<br><u>SDVOC</u> |
|  | <b><u>ALTERNATES (Present/Absent)</u></b><br>Anthony DeVenuta (A)<br>Dr. Caesar Churchwell (A)<br>Miguel Barrigan (A)<br>Raewyn Butcher (A)<br>Victor Garza (A)     | <b><u>REPRESENTING</u></b><br><br>SDVOC<br>SFAACC<br>NCA<br>ACEC CA<br>La Raza Roundtable            |
|  | <b><u>GUESTS:</u></b><br>Ming-Chen Yu (P)<br>Lamar Heystek (P)<br>Ellen Lee (P)<br>Shari Tavafrashti (P)  | <b><u>REPRESENTING</u></b><br>AAAE<br>AAAE<br>AAAE<br>WTS  |

### Item #1: Introductions

District Director Bijan Sartipi, welcomed everyone to the February meeting, and the attendees introduced themselves. Before starting the meeting's agenda, Mr. Sartipi informed the Council that there were two proposed legislations (AB1 and SB1) and a proposal on Transportation Funding, addressing current shortfall. He noted that each may contain funding for Housing elements as well. Each of the Transportation Funding Proposals generate between \$5-\$7B by increasing taxes, such as gas tax, diesel fuel, and auto registration fees. He further noted that a very important bill, AB 28, was making progress in the Assembly. He highlighted for the Council the importance of this legislation. Its approval grants California a waiver for *Sovereign Immunity*, which is needed for California to continue its National Environmental Policy Act (NEPA) Delegation. Mr. Sartipi noted that California is the only state that has a NEPA Delegation. He mentioned that there was much storm damage throughout the state, and the Director's Orders was upward of about \$400M. He said some examples of the storm damage within the District were Hwy 35, Hwy 1, and Highway 17. Mr. Paul Guerrero told the Council that as of January 1, 2017, county, city, and state governments must include Environmental Justice in their master plans.

## Item #2: Approval of Minutes

### October 18, 2016 Minutes:

**Motion:** Mr. Eddy Lau **Second:** Ms. Diana LaCome **Opposed:** None. Approved by consensus.

## Item #3: District 4 Updates

### Construction Update:

Mr. Sartipi introduced Mr. Ray Pang who presented the Construction report. Mr. Pang reported that there were 8 *Advertised and Upcoming Projects*, totaling approximately \$12M. He said five of the 8 projects were small projects. Mr. Pang stated the first three of the projects had bid openings a week prior to the February meeting. Item # 1 (2A4411) had four bidders, with the low bidder amount at \$1.3M, slightly higher than the engineer's estimate. Item # 2 had five bidders and a low bid of \$1.6M, which was about 18% higher than the engineer's estimate. The final item had six bids, and the low bidder amount was \$5.1M. Referring to the *Projects Opened and Currently Awaiting Award* section, Mr. Pang reported that there were 4 contracts with low bid amounts, totaling approximately \$64M. He noted that project EA # 0J6401 was the largest of the projects and was valued at approximately \$56.7M. Referring to *Projects Awarded*, Mr. Pang said there were 8 awarded contracts with a combined value of approximately \$84M, close to the engineer's estimate of \$86M. He called the Council's attention to the DBE goals for contract EA #s 2G9901 and 3G0801 and informed them that the commitment amounts were lower than the original goal, but the Department had evaluated and determined each contractor had performed a satisfactory Good Faith Effort (GFE). He then referred to the *Projects Ready to List but Not Funded for Advertisement Yet* section and reported there were 12 contracts, with an engineer's estimate of \$39.6M. Mr. Pang concluded his presentation after noting that there were 10 *Not Ready to List* projects that would likely be funded by March 2017. Most of them were maintenance projects. Mr. Sartipi thanked Mr. Pang for his report.

### Maintenance Update:

Mr. Sartipi introduced Mr. Stan Ng who provided the Maintenance report. Mr. Ng reported that there were 37 contracts on the *Director's Order Force Account* totaling approximately \$104M. Eleven percent were awarded to Small Business Enterprises (SBEs) and 89% to Non-SBE's. Mr. Ng informed the Council that the yellow highlights on the report were updates since the last meeting. Items 1, 2, 8, 12, 13, 14, and 16 had updated information, while items 11, 15, 17, and 19-37 were new contracts (**Note:** Item # 26 was removed as a duplicate). He noted that all the new contracts with the exception of item #31, were storm related emergency contracts. Ms. Diana LaCome asked if the Department chose contractors from the State and District Emergency Interest Registry lists. Mr. Ng affirmed that both resources were used to find contractors. Referring to the *District Director's Order Force Account*, he reported there were 18 contracts, which totaled over \$4.3M. He said 50% were awarded to SBEs, 43% to Non-SBEs and 7% had not been awarded at yet. Items 4, 6, 7, and 10-18 were new contracts. He also told the Council that there were 3 new contracts added after the report had gone to print. They were Alameda County, Highway 13 at \$6M (RGW Construction); Santa Clara County, Highway 35 at \$1M (Redwood Engineering); and Sonoma County at \$600K, Highway 1 (Piazza). Mr. Fred Jordan commented that the emergency contracts were a good opportunity for DBE firms. Mr. Sartipi concurred, stating that most of the dollars were federally funded. He said the

District planned to maximize federal funds and explore ways to break down and track projects to ensure increased Small, DVBE, and DBE utilization. Additionally, he said the District was encouraging larger firms, who were awarded emergency contracts, to utilize SBs, DVBEs, and DBEs when and wherever possible. Mr. Jordan asked if he or other Council members could send a list of contractors for potential emergency work. Mr. Sartipi affirmed that the Council could do so and encouraged them to do so quickly, as the emergencies were happening at a fast pace. He instructed the Council to send their lists to Mr. George Crosby. Ms. LaCome asked if a portion of the District's funding were set-aside for emergencies. Mr. Sartipi said it is not a District set-aside. It is a statewide annual reserve, about \$100M. This year, the District alone will exceed the State's reserve (\$150M) because of the extraordinary level of storm damages. Mr. Jordan asked if the District tracked the ethnic participation on the emergency contracts and was the information available to the Council. Mr. Crosby said the Department reports to the Fed but does not post the ethnicity because of Proposition 209. Mr. Sartipi asked if Ms. Kelly Schluter (OBEO) could check, confirm, and report back to the Council [**Action Item # 2017-01, Assignee-Kelly Schluter-OBEO**]. Ms. Shari Tavafrashti asked if there were any outreaches to small businesses for emergency contracts. Mr. Eddy Lau stated part of the Council's role was to help Caltrans to ensure the small business emergency list were updated and information was shared with the Council's constituents and respective organizations. He further employed the Council to encourage their small business contacts to get registered on the emergency lists. Ms. Tavafrashti and Mr. Jordan suggested an e-blast be sent to small businesses when the opportunities arise. Mr. Sartipi said because of the ever-changing nature of emergency contract needs, he suggested 1) The Council send a list of their contacts interested in emergency contracts to Mr. Crosby 2) The District post emergency contracts and awardees on the District's website 3) Plan a future outreach as a long-term goal [*Non-Action Item, Assignee-George Crosby*]. Mr. Ng concluded his report, and Mr. Sartipi thanked him for his report. (**Note: #s 1 and 2 are joint deliverables for Action Item #2017-02, Assignees- Fred Jordan and Stanley Ng**).

#### **Design Update:**

Mr. Sartipi introduced Ms. Lenka Culik-Caro who reported on the Design Report. Ms. Culik-Caro reported that there were 2 contracts on the *Proposed Minor B Projects for Small Business, FY 16/17*. She stated EA # 1SS380 was submitted to DPAC and had nine prospective contractors, emphasizing that these projects would go to small businesses. Mr. Sartipi mentioned to the Council that the Caltrans small business simplified process was used, and a minimum of two bids were required to award the contract. She said EA # 2G9300 was going to Department of Procurement and Contracts (DPAC) on February 24, 2017, the week of the meeting. Mr. Lau noted that the former contract was very specialized and was surprised that the potential bidder interest was nine, more than half the amount that he would have expected. Ms. Culik-Caro said she would follow-up and get back to the Council. Ms. LaCome asked if the Design portion was done in-house, to which Ms. Culik-Caro said yes. Referring to *Projects under \$290,000 not Funded from Minor B Program, FY 16/17*, she reported there was one contract, EA #4A09A. She said CTC allocated the funding on December 7, 2016, and the bid opening was scheduled for March 22, 2017, with 13 prospective contractors identified. Ms. Culik-Caro concluded, and Mr. Sartipi thanked her for her report.

#### **A&E Update:**

Mr. Sartipi introduced Mr. Romy Fuentes to provide the A&E Report. Mr. Fuentes highlighted that there were 12 *Recently Executed A&E Contracts*, numbers 8 through 12 were newly added contracts. He emphasized that contract EA# 04A4995 had been awarded to WRECO, a Calmentor

Member and DBE firm. He mentioned that most of the awardees were Calmentor members. Referring to the *Recently Executed Non-A&E Contracts*, he reported there were 7 contracts. None had been issued since the last meeting. For the *Upcoming New A&E Contracts*, he reported that there were 3 contracts. He stated the first 2 had been completed and should be awarded sometime in April 2017. He reported that the last contract was advertised at the time of the meeting, and the incumbent was GEOCON. Referring to the *Upcoming New Non -A&E Contracts*, he reported there were 4 contracts, one of which had been completed (EA #04A5053). He said the contract was valued at \$1.25M and had a DBE goal of 12.5%. Mr. Fuentes provided a quarterly update on the *DBE and SBE/DVBE Utilization*, emphasizing that District 4 had once again surpassed the proposed and statewide goals with a 32.67% (DBE), 17.79% (DVBE), and 37.09% (SBE). Mr. Jordan complemented the District on its DBE achievement, noting that District 4 commands respect for its accomplishments. He also emphasized that African-American and women DBEs still maintained extreme disparity in the numbers. He informed the Council that the San Francisco African American Chamber of Commerce received an appeal from the Secretary of Transportation (FTA) to San Francisco Municipal Transportation Authority (SFMTA), allowing SFMTA to have a separate goal for African-Americans and women where federal funding exists. Ms. Tavafrashti and Mr. Guerrero concurred. Mr. Guerrero and the Council applauded Mr. Jordan for his efforts in this accomplishment. Mr. Jordan reaffirmed his complement of District 4's achievements. Ms. LaCome agreed, and she and the Council applauded Mr. Sartipi for his leadership. Ms. Tavafrashti asked if the District tracked which SB and DBEs who were utilized. Mr. Fuentes stated that the DPAC tracked the utilization. Mr. Fuentes concluded his presentation, and Mr. Sartipi thanked him for his report.

#### **District 4 Small Business Update:**

Mr. Sartipi introduced Mr. Crosby to provide the Small Business Update. Mr. Crosby reported that the SBP team had 3 upcoming events scheduled. The first was the Prime DBE Cooperative (PDC) Workshop VIII on February 23, 2017. He emphasized that this would be the 8<sup>th</sup> of 9 scheduled workshops. He said the workshops had been successful and yielded good results in improving the perceptions and business relationships between prime and DBE contractors. The next scheduled event was the Prime Contractor Training on March 10, 2017, presented by HQ- OBEO, with the support of the SBP team. He said the last upcoming event was the SBP's first Procurement Fair of the year, scheduled for March 21, 2017, at the Jack London Square Aquatic Center in Oakland. He noted that each event would be hosted at District 4's Oakland Office. He encouraged the Council to attend and invite their constituents. Before closing out, Mr. Crosby announced that Ms. Adriana Harris would no longer be with the Small Business Program, as she had accepted a lateral position in the Office of Budgets. He thanked her for her years of service and the attendees applauded. Mr. Sartipi thanked Mr. Crosby for his report.

#### **OBEO Update**

Ms. Sartipi introduced Ms. Kelly Schluter to provide the OBEO Update. Ms. Schluter reported that after the Disparity Study report was completed last fall, Caltrans indicated changes to its overall DBE goal were coming. She said public meetings were scheduled to provide additional information and obtain feedback. However, because of questions about the results, the meetings were cancelled. Caltrans has assembled a new internal team to review the report and develop a preliminary overall DBE goal and methodology for federal fiscal year 2018. She emphasized that because of federal law, Caltrans will conduct meetings in each district to explain the purpose of the Study, its results, and the proposed overall DBE goal and methodology; answer questions; and obtain public comments.

All interested stakeholders, such as minorities, women, and general contractor groups, including community organizations are invited to provide comments. She stated OBEO is interested in receiving feedback concerning the availability of DBE and non-DBE firms and efforts made to establish a level playing field for DBE participation, as well as how will the proposed changes will affect businesses. Caltrans' proposed overall DBE goal and methodology will be posted on the OBEO website for a 30-day comment period in early May, and public meetings will be held shortly thereafter. She informed the Council that people unable to attend a meeting or who prefer not to submit verbal comments, can submit written comments during the 30-day period. She said Caltrans' overall DBE goal is due to FHWA on August 1, 2017. She emphasized that Caltrans is not required to receive FHWA's approval prior to implementing its proposed DBE goal. However, if the FHWA does not approve the goal, an adjustment will be required. Moreover, she said if race-conscious measures are not applicable to all certified DBEs, Caltrans must submit a Program Waiver Request to the FHWA for approval. Referring to *Caltrans Overall Numbers*, Ms. Schluter reported that as of January 2017, there were 159 federally funded contracts, totally approximately \$742.7M with a DBE commitment of 12.16%. There were 13 DBE primes of the 159 contract awards. Referring to the state funded contracts, she reported 145 contracts awarded, valued at approximately \$179.4M and a DBE commitment to 2.12%. There were 11 DBE primes of the 145 contract awards. Ms. Schluter concluded her report, and Mr. Sartipi thanked her for the report.

#### Item #4: Review of Action Items

Mr. Sartipi introduced Mr. Harris to report on the open Action Items. Mr. Harris reported that Mr. Rai had spoken with headquarters and was informed that the Council does not need a Conflict of Interest Form. Hence, the Council agreed that **Action Item #2016-14** was satisfied and closed by consensus.

#### Item #5: New Business

Mr. Sartipi opened the floor to new business. Mr. Jordan thanked District 4 for its participation and support of the African-American Business Procurement Summit hosted at the District's Oakland Office on November 14, 2016. He said that he was still receiving positive community feedback about the event. Next, Mr. Sartipi announced to the Council Ms. Tavafrashti's acceptance as a new member of the D4 Small Business Council.

#### Item #6: Adjourn

Ms. Sartipi adjourned the February meeting and said the next meeting would be on Tuesday, April 18, 2017.

#### District 4 Small Business Council Action Items as of February 21, 2017:

| No. / Starting Date / Assignee      |          |                            | Item Description (Originator)   |
|-------------------------------------|----------|----------------------------|---|
| # 2016-14<br><b>CLOSED</b> -2/21/17 | 10-18-16 | Premjit Rai,<br>DDD Admin. | Mr. Guerrero requested a Conflict of Interest Form (Form 702).  |
| # 2017-01<br><b>New</b>             | 02-21-17 | Kelly Schluter,<br>OBEO    | The Council requested OBEO to confirm whether they have information on federally funded Emergency Contracts, and can the Council receive a breakdown on ethnicity of DBE awardee contractors. |

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|-------------------------|--------------|-------------------------------|---|
| # 2017-02<br><b>New</b> | 02-<br>21=17 | Fred Jordan,<br>Councilmember | <ol style="list-style-type: none"> <li>1. Mr. Jordan volunteered to send a list of contacts interested in emergency contracts to the District via Mr. Crosby.</li> <li>2. Mr. Sartipi suggested Mr. Ng explore posting emergency contracts and awardees on the District's website.</li> </ol> |
|-------------------------|--------------|-------------------------------|---|

*The D4 SBC meets every other month in the Executive Conference Room 15-240, 111 Grand Avenue, Oakland, CA 94612. Meetings begin at 1pm and run until about 2:30pm.*

| 2017 D4 SBC Upcoming Meeting Schedule |               |
|---------------------------------------|---------------|
|                                       | June 20th     |
|                                       | August 15th   |
|                                       | October 17th  |
|                                       | December 19th |